Q. WITHIN ITS OPERATING TERRITORY DOES VERIZON CURRENTLY PROVIDE THE VAST MAJORITY OF DSL LOOP ACCESS?

A. Yes. Competition in the DSL market segment is dwindling as Verizon and other ILECs have come to dominate the market for such capabilities. For example, Verizon, as the sole telecommunications supplier of a bundled voice and advanced data offer on a single wired line, has acquired a 90% share of the residential DSL market, and its share is rising.[200]

Verizon clearly recognizes the demand for DSL capabilities, as well as the benefits to be derived if Verizon engineers and leverages a considerable advantage in this important area, based on its entrenched position as the incumbent LEC and its (and its affiliates') ability to use existing network facilities with relative ease, while competitors must wage legal and operational battles to obtain comparable access. In particular, Verizon recognizes the strategic significance of providing "one-stop shopping" for the range of services that consumers want and expect.

Q. WHAT CAN BE DONE TO PUT COMPETITORS ON A MORE LEVEL PLAYING FIELD WITH VERIZON?

A. With the exception of the largest incumbents, and especially the former RBOCs, few telecommunications carriers can support the investment necessary to deploy both a circuit switched (voice) network and an advanced services (packet switched) network. Further, such duplication is frequently needlessly inefficient

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200 The ILECs, Verizon among them, have increased their market share by an additional percentage point during the first quarter of 2001. *See* Telechoice DSL Deployment Summary at http://www.xdsl.com/content/resources/deployment info.asp. Thus, rather than the market becoming more competitive, it is becoming less. It is foreseeable that

and is one — if not the — major reason for requiring access to incumbents' unbundled network elements and other in-place facilities under the Act. As a result, in order to offer a complete package of services to the market, new entrants need a means to provide either the voice or the advanced service capability while working with another party to provide the capability it lacks. This is precisely the situation the *Line Sharing Order* addressed. However, line sharing is only a partial solution, because, standing alone, it grants the incumbent a *de facto* monopoly over the provision of local voice service in such cases.

Therefore, line *splitting* is the necessary pro-competitive complement to line sharing. By eliminating the requirement that the incumbent continue as the provider of voice service when a loop is used to provide both voice and advanced data services, line splitting enables a customer to choose a carrier other than the incumbent for his or her voice service. At the same time, it permits an advanced service provider to focus investment in emerging technologies while still offering its customers traditional voice services that are not branded as the incumbent's.

By providing a practical complement to line sharing (and assuring that it works), competitors will be less likely to be swept off the modest competitive inroads they have made in Verizon's territory. Adopting the contractual terms that AT&T proposes will help to clarify Verizon's obligations to support line sharing and line splitting and reduce Verizon's opportunities to take advantage of ambiguities in contract provisions that make it more difficult for new entrants to

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Verizon's market share will only increase given the difficulties of other DSL-competitors, such as Covad and Rhythms and Northpoint's bankruptcy.

engage in these activities. Continued vigilance, however, will continue to be required to assure the provisions operate as intended.

Q. HOW WOULD THE FAILURE TO REQUIRE VERIZON TO IMPLEMENT AT&T'S PROPOSED CONTRACT LANGUAGE REDUCE PROSPECTS FOR BROAD DEPLOYMENT OF DSL TECHNOLOGY AND COMPETITION FOR VOICE SERVICES?

A. The benefits of DSL technology are a two-edged sword for consumers. Absent the necessary support for both line sharing and line splitting from incumbents, the success of incumbent–provided DSL will significantly inhibit competition for both advanced data and voice services. As the Commission recognized in both the *Line Sharing Order* and the *Line Sharing Reconsideration Order*, competitors will find it nearly impossible to compete for the highest value customers if they cannot have meaningful access to the high frequency spectrum ("HFS") of a customer's existing local loop. AT&T's proposed contract language is intended to assure that AT&T (and any other carrier that may opt into AT&T's interconnection agreement) will have a real opportunity to access the HFS of Verizon's loops to provide competitive services while not compromising their underlying business strategy.

Q. WHAT TYPE OF DISADVANTAGES DO COMPETITIVE CARRIERS FACE IN COMPETING WITH INCUMBENTS?

A. A carrier, particularly one providing voice services, that seeks to compete with an incumbent LEC's package of voice and advanced services is at a severe competitive disadvantage from the start. For example, a standalone loop in VA currently costs in the range of $10.74 to $19.40 per month , without any port charges, recovery of non-recurring charges and any other costs of serving to the customer. As a result, the *Line Sharing Order* recognized that any new entrant

seeking to compete with the incumbent's DSL service through the use of a second line is at a severe disadvantage.[201]

As noted above, few CLECs have the resources to simultaneously deploy both a circuit switched and an advanced services network. Furthermore, it is generally well recognized that the initial establishment of DSL is often a lengthy and difficult experience for the customer and, once established, customers are extremely hesitant to modify their existing service configuration. As a result, the existence of previously installed DSL service – particularly if provided by an ILEC – can be a substantial barrier to convincing a retail customer to change his or her voice provider.

Finally, the need for clarity and precision is demonstrated by the incumbents' own actions. For over a year, incumbents denied any obligation to support line splitting and seized upon the literal wording of the Commission's line sharing rules to discourage or deny customer migrations away from their voice service.[202] Such practices can only be halted by crystal-clear interconnection agreement language that sets forth the incumbent's duties in this important competitive area.

Full and fair competition requires that customers have a relatively easy and non-disruptive means to transition from the ILEC's voice service to CLEC voice service. The *Line Sharing Reconsideration Order* correctly recognized that

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201 *Line Sharing Order*, ¶ 133.

202 In fact, because line sharing requires use of the ILEC's retail local voice service on the line and because termination of that voice service caused ownership of the entire loop

competitors need appropriate support mechanisms from incumbents if line splitting is ever to be successful. In particular, that order recognized that customers would face significant disincentives to switch their current service if their current ILEC service (voice, DSL or both) would have to be disconnected and assigned to a new unbundled loop, or if they were required to purchase a second line in order to add DSL service. These disincentives would have dire consequences for the development and maintenance of local competition. In addition, reports of problems experienced by other customers create even higher barriers to competition by making customers more reluctant to change from the incumbent's "safe" service offerings.

Q. WHY IS IT IMPORTANT THAT UNE-P CARRIERS HAVE AN OPPORTUNITY TO ENGAGE IN LINE SPLITTING?

A. The most successful competitive entry strategy to date in the residential market has been through the use of UNE-P. The success is largely attributable to the fact that UNE-P represents a relatively cost-effective, prompt and non-disruptive means for a CLEC to win customers and, when appropriate, begin to transition them to its facility-based network. However, the presence of DSL technology on a loop or the desire of a customer for advanced service access has the potential to "undo" all the positive aspects of UNE-P.

If CLECs cannot effectively use UNE-P together with DSL to offer consumers a competitive choice, their ability to obtain (or keep) the most valuable customers (and thus the ability to generate cash for investment to serve other

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UNE to revert to the user of the HFS, in some parts of the country, AT&T UNE-P conversion orders were rejected because the HFS of loop was in use.

customers) is significantly reduced. The prospect of monopolization of the nascent advanced services market by Verizon is very real, as are the prospects of halting and reversing what little erosion has occurred of Verizon's market power in the provision of local voice services. Therefore, it is critical that Verizon be required to implement line splitting now, in a manner that permits its practical use at commercial volumes. Thus, if properly supported, line splitting could help to reverse the trend of higher ILEC prices for DSL capabilities. Notably, those prices began to rise as line-sharing competitors began to suffer market reversals, (*e.g.*, Verizon and SBC announcements of price increases).

Q. WHAT OTHER BENEFITS WILL RESULT FROM FULL IMPLEMENTATION OF LINE SHARING AND LINE SPLITTING?

A. Maximizing the use of line sharing and line splitting market entry strategies will further well established public policy objectives. First, it will help to prevent monopolization of the advanced services market and remonopolization of the voice market. The Telecommunications Act was intended to *foster* competition in the local exchange marketplace. CLECs should not be denied the opportunity to maximize the utility of unbundled network elements so that they can provide their customers all of the telecommunications services they desire. Second, it will provide incentives for investment because it will enable CLECs to secure a critical mass of residential and small business customers that can ultimately be migrated to UNE-L strategy on a project basis and according to a timetable agreeable to the CLEC and its customers. Third, it will create opportunities for innovation, so that carriers no longer need to be all things to all customers. Rather, they will be able to focus on strategies that build upon their strengths and

to establish partnerships with others that have complementary business objectives. This, in turn, will allow those carries to serve more customers in more markets.

Q. HOW WILL AT&T'S PROPOSED CONTRACT LANGUAGE HELP TO MAXIMIZE THE AVAILABILITY OF LINE SHARING AND LINE SPLITTING?

A. AT&T's contract language is intended to minimize ambiguities and to assure that there is a clear set of terms and conditions that will apply to Verizon's provisioning of both line sharing and line splitting. For example, the Commission was clearly correct to require in *the Line Sharing Reconsideration Order* that incumbents must develop single-order processes to add xDSL service to existing voice service wherever possible. Although the conversion of an ILEC's POTS customer to a UNE-P carrier's POTS service is largely a matter of record keeping, experience has taught that such conversions can be plagued by problems, including loss of the customer's telephone number, dropped directory listings and incorrect information provided to E-911 databases due to practices such as the ILEC's decision to work multiple manual orders in an uncoordinated manner. Similar problems (or even new ones) could arise if UNE-P arrangements must be torn down and then reassembled through the use of multiple new orders for individual network elements using new procedures that have yet to be disclosed, much less tested.

Moreover, AT&T and its customers face other potential service issues. These include, among other things, lengthy provisioning processes for new "qualified" loops compared with the typical 3-day (or shorter) period to provision UNE-P and the possibility of lengthy service disruptions when the customer's existing loop is re-terminated to a splitter in an AT&T (or a cooperating carrier's)

collocation. Furthermore, if the carrier operating in the HFS of line shared loop has an appropriate business arrangement with AT&T, there is absolutely no justification for putting the customer at risk if the customer agrees to move its voice and existing DSL capabilities to AT&T. Such a change, as with UNE-P, is simply a records change on the part of the ILEC. A single order process (viewed from the CLEC perspective) coupled with highly coordinated and mechanized back office processes of the incumbent are necessary to avoid such problems to the greatest extent possible. Such an expectation is not unreasonable, because the parallels between line splitting and line sharing are extensive. Nevertheless, in order to ensure that Verizon fulfills all of its obligations to support line splitting, detailed contractual provisions are critical.

III. Verizon's Basic Line Sharing and Line Splitting Obligations.

Q. WHAT IS AT&T'S POSITION ON VERIZON'S BASIC OBLIGATION TO SUPPORT LINE SHARING AND LINE SPLITTING?

A. Verizon's line sharing and line splitting obligations are rooted in the nondiscrimination principles of § 251(c)(3). Specifically, Verizon must implement line sharing and line splitting in a nondiscriminatory and commercially reasonable manner that allows AT&T to provide services in the HFS of a customer's *existing* loop, regardless of the service architecture AT&T selects to provide any voice service it offers to that customer. If Verizon provides the voice service and AT&T provides advanced data services by leasing the HFS, Verizon's obligations are covered by the Commission's rules for line sharing. If AT&T is providing the voice service through either a UNE-P or UNE-Loop configuration,

Verizon's obligations are covered under the Commission's requirements for line splitting. In addition, Verizon must promptly implement nondiscriminatory and commercially reasonable support processes that enable AT&T to use all of the features, functions and capabilities of a loop so that AT&T, even when it works with another carrier, may provide any technically feasible services a single loop facility can support.

Q. ARE VERIZON'S OBLIGATIONS FOR LINE SHARING AND LINE SPLITTING SIGNIFICANTLY DIFFERENT?

A. No. Because the technical configurations for both line sharing and line splitting are nearly identical, Verizon's obligations should be nearly identical in both cases. In particular, when AT&T elects to use UNE-P to provide voice service, it must be able to implement a line splitting arrangement as swiftly, seamlessly, reliably, and economically as when Verizon provides both voice and advanced services to a customer over a single loop or when a data-only CLEC provides advanced data services over a customer's existing loop using line sharing from Verizon. At a minimum, Verizon must provide nondiscriminatory support in the following circumstances:

- When AT&T adds DSL service to an existing UNE-P voice customer;
- When AT&T establishes a bundled voice/DSL service for a new customer;
- When AT&T seeks to convert a customer's voice service to AT&T without changing the customer's existing DSL provider;
- When AT&T requests that the DSL carrier in an existing line splitting arrangement be changed; and
- When AT&T requests Verizon to disconnect an existing DSL service on an AT&T loop.

It should go without saying that Verizon's continued support of these activities following implementation of the changes described above must also be nondiscriminatory.

Q. ARE THE DISTINCTIONS BETWEEN LINE SHARING AND LINE SPLITTING PRIMARILY BASED IN OPERATIONAL OR TECHNOLOGICAL CONSIDERATIONS?

A. No. The principal difference between line splitting and line sharing is the purely legal distinction of whether or not the ILEC provides voice service over the customer's line. From a technological standpoint, they are nearly identical. In both line sharing and line splitting, the outside plant facility (the loop) is brought from the customer's premises to the ILEC central office that serves the customer, where it is cross-connected to the input port of a splitter. The splitter, which is a passive device, provides a filtering function that prevents the low frequency band (voice) transmissions from exiting one of its output ports and prevents the high frequency band (advanced service) transmissions from exiting the splitter's other output port.

Inserting the splitter into the loop thus essentially creates two transmission paths within a single physical outside plant loop facility that can be used to support either line sharing or line splitting. The first "path" carries the low frequency band transmitted within the facility and the second "path" carries the high frequency band transmitted within the same facility. The low frequency, or voice output of the splitter, is cross-connected to the switched network (*e.g.*, the local switching UNE) and is then sent to its destination. The high frequency spectrum output of the splitter is cross-connected to a CLEC's DSLAM and is then sent over the CLEC's own data or packet network to its destination. Setting aside the issue of who owns or operationally supports the splitter and who owns or controls the space in which it is deployed, the high-level architecture involved

in providing access to the HFS of the loop to voice CLECs using UNE-P (*i.e.*, line splitting) involves essentially the same architecture that Verizon uses today to line share with its data service affiliate or with other data CLECs (*i.e.*, line sharing). Thus, it is appropriate to measure the manner in which Verizon supports line splitting by using the same measures of nondiscrimination that measure its support of line sharing, whether Verizon shares the loop with a separate data CLEC or provides both voice and advanced services itself.

Q. HAVE ANY OTHER REGULATORY BODIES FOUND THAT LINE SHARING AND LINE SPLITTING ARE ESSENTIALLY THE SAME?

A. Yes, a number of key state regulatory commissions have already determined that these two arrangements are virtually identical. For example, the New York Public Service Commission found:

> "There is no dispute that the engineering processes entailed in splitting a line for a UNE-P voice customer and sharing a line for a Verizon voice customer are identical: there is no physical difference. The record evidence to this effect is unambiguous. The differences arise on the operation of the OSS."[203]

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203 Opinion and Order Concerning Verizon's Wholesale Provision of DSL Capabilities, New York Public Service Commission, Case 00-C-0127 October 31, 2000 at 11. *See also* Petition of SWBT for Arbitration with AT&T Pursuant to Sec. 251 (B)(1) of the FCC Act of 1996, Texas Public Utility Commission, Docket 22315, Order Approving Revised Arb Award dated March 14, 2001 ("[t]he Commission agrees with the Arbitrators conclusion that "there is no technical distinction between line sharing and line splitting, as the splitter provides access to the same functionality of the loop in both contexts.").

IV. Verizon's Specific Line Sharing and Line Splitting Obligations.

Q. WHAT ARE VERIZON'S SPECIFIC LINE SHARING AND LINE SPLITTING OBLIGATIONS, AND HOW SHOULD THEY BE IMPLEMENTED IN THE INTERCONNECTION AGREEMENT NOW BEING ARBITRATED?

A. AT&T has proposed contract language that spells out in detail the obligations Verizon must fulfill to comply with its obligation to support line sharing and line splitting in a nondiscriminatory manner. It is not burdensome for Verizon to incorporate the language that AT&T has taken the trouble to draft. In fact, it saves trouble by clarifying the parties' rights, responsibilities and obligations. Yet, instead of welcoming the clarity that AT&T's language provides, Verizon has remained intransigent. Thus, AT&T has been forced to arbitrate these provisions up front, in order to avoid the likely need to litigate complaints over these issues later and to assure that its customers' needs will be met, especially with respect to the primary issues relating to the operational support that Verizon must provide for line splitting and line sharing.

Verizon does not (and indeed cannot) dispute that line splitting is a current obligation.[204] Thus, it agrees conceptually with AT&T's Issues III.10.A. and III.10.B.[205] However, even though those obligations are not generally disputed,

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204 *See* Verizon's Supplemental Statement of Unresolved Issues ("SSUI"), Tab B to Verizon's Answer, at 90.

205 Issue III.10.A.: Must Verizon implement both line sharing and line splitting in a nondiscriminatory and commercially reasonable manner that allows AT&T to provide services in the high frequency spectrum of an existing line on which Verizon provides voice service (line sharing) or on a loop facility provided to AT&T as a UNE-loop or as part of a UNE-P combination (line splitting)?

Issue III.10.B.: Must Verizon implement line splitting in a nondiscriminatory and commercially reasonable manner that enables AT&T to use all of the features, functions

the manner in which Verizon complies with its obligations will have a significant effect on whether AT&T will be able to make practical use of line splitting. Verizon's proposed contract language to accommodate line splitting is vague and requires substantial amplification and clarification, as well as date certain commitments with respect to its delivery. Its proposed language on line sharing also requires clarification in several respects.

The specific issues that require resolution here include the following:

III.10.B.1. Must all aspects of the operational support delivered to AT&T in support of line sharing and line splitting arrangements with Verizon be at no less than parity as compared to the support provided when Verizon engages in line sharing with its own retail operation, with an affiliated carrier, or with unaffiliated carriers in reasonably similar equipment configurations?

III.10.B.2. Must Verizon immediately provide AT&T with the procedures it proposes to implement line splitting on a manual basis?

III.10.B.3. Must Verizon implement electronic OSS that are uniform with regard to carrier interface requirements and implement line splitting contemporaneously with its implementation of such capabilities in New York, but in no event later than January 2002?

III.10.B.4. Must Verizon provide automated access to all loop qualification data to AT&T simultaneously with providing automated access to itself or any other carrier, including non-discriminatory treatment with regard to planning and implementation activities preceding delivery of the automated access?

III.10.B.5. May Verizon require AT&T to pre-qualify a loop for xDSL functionality?

III.10.B.5.a. If AT&T elects not to pre-qualify a loop and the loop is not currently being used to provide services in the HFS, but was previously used to provide a service in the HFS, should Verizon be

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and capabilities of a loop so that AT&T (or AT&T and its authorized agent) can provide services in both the low frequency and high frequency spectrum ("HFS") of a customer's existing loop facility that AT&T leases from Verizon?

		liable if the loop fails to meet the operating parameter of a qualified loop?
	III.10.B.6.	May AT&T, or its authorized agent, at its option provide the splitter functionality in virtual, common (*a.k.a.* shared cageless) or traditional caged physical collocation?
	III.10.B.7.	If Verizon declines to do so voluntarily, must Verizon, at AT&T's request, deploy a splitter on a line-at-a-time basis as an additional functionality of the loop within 45 days of the Commission's order in a proceeding of general application?
	III.10.B.8.	Must Verizon perform cross-connection wiring at the direction of AT&T (or its authorized agent), including CLEC-to-CLEC cross-connections, regardless of who deploys a splitter or where it is deployed in a line sharing or line splitting arrangement?
	III.10.B.9.	Must Verizon implement line sharing/splitting in a manner consistent with that ordered in New York?
	III.10.B.10.	Must Verizon allow AT&T to collocate packet switches in collocation space?
	III.10.B.11.	Must Verizon support the loop-local switch port-shared transport combination in a manner that is indistinguishable from the operational support Verizon delivers to the retail local voice services Verizon provides in a line sharing configuration, including cases where Verizon shares a line with Verizon Advanced Data, Inc., or another Verizon affiliate, or any unaffiliated carriers, if a loop facility in a line splitting configuration is connected to Verizon's unbundled local switching functionality?
	III.10.B.12.	Is a period of thirty (30) business days adequate for Verizon to provide augmentations to existing collocations to enable AT&T to engage in line sharing or line splitting?
	III.10.B.13.	In circumstances where it is technically feasible to convert an existing line sharing arrangement to a line splitting arrangement without physical disruption of then-existing service to the end user, must Verizon institute records-only changes to record the necessary transfer of responsibilities, without making any changes to the physical facilities used to service the customer, unless AT&T requests otherwise?
	III.10.B.14.	In circumstances where the establishment of a line sharing or line splitting configuration requires physical re-termination of wiring,

must Verizon make such changes in a manner that assures that no less than parity is achieved for AT&T and its customers with respect to out-of-service intervals and all other operational support, as compared to line sharing or line splitting configurations that have equivalent splitter deployment options?

III.10.B.15. May Verizon require any form of collocation by AT&T as a pre-requisite to gaining access to the low frequency spectrum of a loop, the high frequency spectrum of the loop, or both, unless such collocation is required to place equipment employed by AT&T (or its authorized agent) to provide service?

Q. WHY IS ARBITRATION OF THESE ISSUES NECESSARY?

A. Verizon must not be permitted to use the negotiation/arbitration process as a tool to delay further the implementation of AT&T's reasonable support requirements. Nor should it be allowed to incorporate only general statements of its obligations in the parties' interconnection agreement and thus preserve opportunities to engage in future debates (and likely litigation) over the exact extent of its obligations, when clear and concise descriptions of its obligations can be developed and implemented in the agreement. In addition, Verizon should be obligated to implement all of the results of the New York Collaborative on DSL promptly and also to implement this Commission's anticipated decision on ILEC splitter ownership without the need for further proceedings.

Q. WHY ARE VERIZON'S PROPOSED CONTRACT TERMS ON THESE ISSUES INSUFFICIENT?

A. The notable difference between the line splitting language submitted by AT&T and Verizon is that Verizon's proposals are totally devoid of any operational detail. And although language Verizon has presented for line sharing provides some detail, it too requires some focused clarification.

Verizon's language addressing line splitting consists of a single broadly written paragraph that simply pays lip service to the Commission's prior finding that incumbents have a current obligation to support line splitting. In its entirety, Verizon's proposed language on line splitting states:

> 11.2.18.1 CLECs may provide integrated voice and data services over the same Loop by engaging in "line splitting" as set forth in paragraph 18 of the FCC's Line Sharing Reconsideration Order (CC Docket Nos. 98-147, 96-98), released January 19, 2001. Any line splitting between two CLECs shall be accomplished by prior negotiated arrangement between those CLECs. To achieve a line splitting capability, CLECs may utilize existing supporting OSS to order and combine in a line splitting configuration an unbundled xDSL capable Loop terminated to a collocated splitter and DSLAM equipment provided by a participating CLEC, unbundled switching combined with shared transport, collocator-to-collocator connections, and available cross-connects, under the terms and conditions set forth in their Interconnection Agreement(s). The participating CLECs shall provide any splitters used in a line splitting configuration. CLECs seeking to migrate existing UNE platform configurations to a line splitting configuration using the same unbundled elements utilized in the pre-existing platform arrangement may do so consistent with such implementation schedules, terms, conditions and guidelines as are agreed upon for such migrations in the ongoing DSL Collaborative in the State of New York, NY PSC Case 00-C-0127, allowing for local jurisdictional and OSS differences.

This language is patently inadequate to provide any assurance that Verizon will in fact comply with the obligations already established in the *Line Sharing Reconsideration Order* or do so by a date certain. Indeed, the third sentence of Verizon's proposed language specifically refers carriers to the terms of their

interconnection agreements – exactly what AT&T is trying to develop here.[206] Moreover, it is flatly inconsistent with the Commission's determination that line splitting is a "current" obligation that must be implemented *whether or not* an ILEC has developed automated systems to support line splitting.

In this regard, Verizon's claim that the Commission "has already approved of" both its line sharing and line splitting proposals is both wrong and beside the point.[207] The cited paragraph of Commission's *Massachusetts 271 Order*[208] found that Verizon's *performance* of its line sharing obligations (based on limited Massachusetts data and additional data from New York) was not sufficiently discriminatory to withhold approval of the application.[209] It did not purport to review the line sharing terms of its interconnection agreement at all.[210]

More important, however, Verizon's position is irrelevant, for two reasons. First, AT&T is entitled to negotiate (and arbitrate if necessary) any interconnection terms it wishes as long as they are not inconsistent with the

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206 Verizon, in the alternative, may mean that the current interconnection agreement terms should suffice. Certainly this can't be as the current agreement has virtually no operational obligations spelled out. Without delineation of such terms, there are no assurances of required operational support, nor set implementation methods, other than those subject to Verizon's interpretation.

207 SSUI at 90.

208 *Application of Verizon New England, Inc., et al. for Authorization to Provide In-Region InterLATA Services in Massachusetts*, FCC 01-130, released April 16, 2001, ¶ 165.

209 *See id.* ¶ 173 (noting, however, the Commission's "concerns with the accuracy of Verizon's performance results and the limited volume of competitive LEC orders captured by the [performance] measures").

210 The Commission did review the terms of Verizon's Model Interconnection Agreement with respect to line splitting, mainly because there was virtually no performance data to review. Notably, however, even the Commission had problems with Verizon's apparent interpretation of some of its own unilaterally proposed language. *See id.* ¶ 179n.569.

Act.[211] Second, it is indisputable that there is more than one set of contractual terms and conditions that lawfully implement sections 252 and 252. Indeed, the Commission is charged here with the duty to arbitrate such issues between the parties, and it has the authority (i) to adopt lawful proposals made by either party, (ii) to require the parties to submit additional proposals, and (iii) even to adopt results that are proposed by neither party.[212] Thus, there is no reason why the Commission should accept Verizon's unilaterally developed general language over AT&T's more detailed proposals.

Q. WHAT SPECIFIC CONTRACT PROVISIONS ARE NECESSARY TO ASSURE THAT VERIZON PROVIDES NONDISCRIMINATORY SUPPORT FOR LINE SPLITTING? (ISSUES III.10.B.1, 11, 13 &14)

A. As submitted by AT&T, these issues are:

III.10.B.1. Must all aspects of the operational support delivered to AT&T in support of line sharing and line splitting arrangements with Verizon be at no less than parity as compared to the support provided when Verizon engages in line sharing with its own retail operation, with an affiliated carrier, or with unaffiliated carriers in reasonably similar equipment configurations?

III.10.B.11. Must Verizon must support the loop-local switch port-shared transport combination in a manner that is indistinguishable from the operational support Verizon delivers to the retail local voice services Verizon provides in a line sharing configuration, including cases where Verizon shares a line with Verizon Advanced Data, Inc., or another Verizon affiliate, or any unaffiliated carriers, if a loop facility in a line splitting configuration is connected to Verizon's unbundled local switching functionality?

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211 *See* § 252(a)(1) (permitting voluntary negotiations "without regard to the standards set forth in subsections (b) and (c) of section 251").

212 *Procedures for Arbitrations Conducted Pursuant to Section 252(e)(5) of the Communications Act of 1934, as amended*, FCC 01-21, released January 19, 2001, ¶¶ 4-5.

III.10.B.13. In circumstances where it is technically feasible to convert an existing line sharing arrangement to a line splitting arrangement without physical disruption of then-existing service to the end user, must Verizon institute records-only changes to record the necessary transfer of responsibilities, without making any changes to the physical facilities used to service the customer, unless AT&T requests otherwise?

III.10.B.14. In circumstances where the establishment of a line sharing or line splitting configuration requires physical re-termination of wiring, must Verizon make such changes in a manner that assures that no less than parity is achieved for AT&T and its customers with respect to out-of-service intervals and all other operational support, as compared to line sharing or line splitting configurations that have equivalent splitter deployment options?

Each of these questions must clearly be answered "yes;" otherwise there can simply be no assurance that AT&T will in fact receive nondiscriminatory support from Verizon. AT&T has therefore proposed contract language to implement each of these aspects of Verizon's support for line sharing and line splitting.

Section 1.3.5 of AT&T's Schedule 11.2.17[213] provides: "Verizon shall provide non-discriminatory operational support to AT&T and any Authorized Agent for the purpose of Line Splitting."[214] This provision is obviously

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213 AT&T's Schedule 11.2.17 contains virtually all of AT&T's proposed contract terms for line sharing and line splitting. Unless specified below, all section reference to AT&T's proposed contract language are to that Schedule, which Verizon has rejected in its entirety (*see* Verizon's May 31, 2001 Answer, Tab C).

214 This section also clarifies that AT&T is the sole entity that is purchasing the loop when it engages in line splitting and that AT&T has the right to continue to use any splitter that Verizon has previously deployed on the loop. These terms are necessary to dispel any confusion as to which carrier has the right to control the loop and to prevent any unnecessary "rip-apart" of existing service arrangements when none is required to provide the service the customer requests (*see* FCC Rule 51.315(b)). It also requires

necessary to establish Verizon's core operational obligations. More specifically, AT&T's § 1.3.10 provides that: "[w]hen provisioning Line Splitting for AT&T, Verizon shall assure that no more cross-connections are required than it employs when deploying a Line Sharing arrangement in the same office and the splitter used to enable Line Sharing is deployed in a comparable collocation arrangement." Recognizing the technical similarities between line sharing and line splitting, AT&T's §§ 1.3.7 (return of Firm Order Commitments), 1.5 (deployment of splitters) and 1.8 (maintenance of the low frequency spectrum) provide that both line sharing and line splitting should be covered by the same terms and conditions. These provisions add specific operational detail to the general nondiscrimination requirement and assure that AT&T line splitting arrangements are to be handled in the same technical manner as all line sharing arrangements.

In addition, given AT&T's prior experience in dealing with incumbents' support for UNE-P, AT&T's proposed § 1.3.11 provides that the addition of service in the HFS to implement line splitting "will have no adverse impact on a customer's existing UNE-P service." It specifically provides that unless AT&T requests a change, there will be no changes to the customer's service in a number of areas in which AT&T has had problems in the past, including loss of a customer's working telephone number, changes of the currently operating loop, lost 911 access or listings, and several other items. That section recognizes,

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Verizon to define a mutually agreeable means to define permissible activities by AT&T's Authorized Agent and assures that AT&T will not be held responsible for any charges that were incurred before AT&T took "ownership" of the loop.

however, that a brief service interruption may occur, but provides that such interruption "shall not exceed that which occurs when Verizon reconfigures one of its own POTS lines to a Line Sharing configuration for itself or another carrier," another obvious nondiscrimination requirement.

Several other AT&T provisions require other specific types of nondiscriminatory conduct by Verizon. Section 1.3.12 requires Verizon to track provisioning intervals and "due dates met" separately for line sharing and line splitting, to assure that Verizon's support for line sharing, in which Verizon retains the customer's voice service, is not superior to its support of line splitting, when it does not retain the customer's voice service. Section 1.7 provides AT&T with identical options for testing loop facilities, whether it uses line sharing or line splitting. Section 1.9 sets forth specific requirements that assure billing parity for both line sharing and line splitting when AT&T provides the voice service using UNE-P.

Finally, § 1.10 of AT&T's proposed agreement requires Verizon to establish specific performance tracking obligations to assure that metrics and periodically reported data are available to monitor Verizon's performance of its line sharing and line splitting functions. That section also requires Verizon to disaggregate the data in a manner that will help to disclose any disparities in Verizon's performance for itself, its affiliates and third parties. Although these measures are obviously critical to determining whether Verizon actually provides parity performance, Verizon states that "[n]o measurements for the interval of service interruption [in implementing a line sharing order for a customer with

existing voice service] are known to exist at this time."[215] Thus, AT&T's request for the development of such measurements is especially appropriate.

All of these specific requirements are appropriate and necessary to assure that Verizon's obligations are fully fleshed out and that there is as little room as possible for future dispute over Verizon's specific duties to support line sharing and line splitting in a nondiscriminatory manner.

Q. WHY SHOULD AT&T'S CONTRACT PROPOSALS RELATING TO THE ADOPTION OF THE WORK OF THE NEW YORK COLLABORATIVE BE APPROVED?

A. These issues[216] relate to Verizon's obligation to provide AT&T with the OSS necessary to support line splitting arrangements, both for new customers and for migrating customers that already have a line sharing arrangement and are moving to a line splitting arrangement.[217] As noted above, the Commission ruled in January that Verizon has a *current* obligation to support line splitting. Therefore, Verizon is required to provide carriers with the OSS necessary to support line splitting *today*. There is simply no basis for Verizon to contend otherwise.

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215 Verizon response to AT&T Data Request 3-28, dated July 18, 2001.

216 Issues III.10.B.2, 3 and 9, respectively.

217 As submitted by AT&T, these issues are:

III.10.B.2. Must Verizon immediately provide AT&T with the procedures it proposes to implement line splitting on a manual basis?

III.10.B.3. Must Verizon implement electronic OSS that are uniform with regard to carrier interface requirements, to implement line splitting contemporaneously with its implementation of such capabilities in New York, but in no event later than January 2002?

III.10.B.9. Must Verizon implement line sharing/splitting in a manner consistent with that ordered in New York?

Accordingly, in order to comply with the *Line Sharing Reconsideration Order*, Verizon must have a currently available means to make line splitting practically available. In the absence of mechanized support processes, a set of manual processes must be available now.

AT&T recognizes that issues relating to the implementation of *mechanized* support for line splitting are being addressed in a collaborative in New York, and AT&T is actively participating in that forum. If, however, Verizon seeks to rely on those proceedings to satisfy its obligations in Virginia, Verizon should be required to accept *all* of the results of the New York collaborative—not merely those that are "agreed upon." Otherwise, Verizon will be allowed successive "bites at the apple" with respect to decisions that it does not support.

AT&T's proposed language reasonably requires that Verizon accept in Virginia the resolution of disputed issues adopted by the New York Commission. Moreover, in order to assure that these provisions are adopted promptly, AT&T's language provides that Verizon will implement the results in Virginia contemporaneously in both states.[218] This is fully consistent with Verizon's

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218 Verizon apparently agrees with this in principle and thus should not object to incorporating such language in the agreement. *See* SSUI, p. 93 (agreeing to implement the "timelines" from the New York Collaborative). Accordingly, it should not be permitted to delay the implementation of the New York line splitting requirements because of "local jurisdictional and OSS differences" (*see* Verizon's proposed § 11.2.18.1).

obligation to develop region-wide OSS across all of the Bell Atlantic states.[219] Accordingly, AT&T's proposed contract language provides:

> At AT&T's request, Verizon shall provide in Virginia the same functionality and operational support as is agreed to between the Parties in the collaborative sessions occurring in New York or that is directed by the New York State Public Service Commission with respect to the implementation of Line Sharing or Line Splitting. To the extent that AT&T makes such a request of Verizon in Virginia, unless AT&T specifically agrees in writing, such functionality and support shall be implemented in Virginia contemporaneously with that implemented in New York, and the implementation of such functionality and operational support shall be identical to that in New York, including their impacts on AT&T's internal operations and OSS interfaces.[220]

It should also be recognized, however, that Verizon may not in fact be able to honor its commitment to provide the identified scenarios in a satisfactory manner by the October date.[221] Moreover, other issues may arise in the future. Accordingly, Verizon must also be required to have manual support processes available to cover any such gap. Moreover, the lack of standardized ordering

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219 *See e.g., Application of GTE Corporation and Bell Atlantic Corporation for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorization and Application to Transfer Control of a Submarine Cable Landing License),* CC Docket No. 98-184, Memorandum Opinion and Order, released June 16, 2000 ("*Bell Atlantic/GTE Merger Order*"), ¶ 286.

220 AT&T Proposed Contract at § 1.12. *See also* AT&T's proposed § 1.3.4, which permits AT&T to place either line sharing or line splitting orders using the "existing interface for submission of UNE-P orders and order status tracking," and requires the ordering interface to be the same across all of Verizon's states; and AT&T's proposed § 1.7.4, which permits AT&T to log and track trouble tickets, execute MLT tests and receive the results of such tests using the interface established for UNE-P customer configurations.

221 *See* Verizon's Supplemental Statement of Unresolved Issues ("SSUI"), Tab B to Verizon's Answer, at 93. In fact, when asked about flow-through rates expected in Virginia (for line splitting), Verizon was unable to answer – which indicates little tangible thought may currently be directed toward implementation. *See* Verizon's Response to AT&T Discovery Request 3-34, dated July 18, 2001.

requirements for line sharing or line splitting should not be a legitimate basis for Verizon to refuse to handle an order on a manual basis, as long as all of the information is provided in an industry standard format.[222]

Q. WHY SHOULD THE COMMISSION ADOPT AT&T'S PROPOSED CONTRACT LANGUAGE REGARDING LOOP QUALIFICATION DATA?

A. Issue III.10.B.4 relates to Verizon's *ongoing* obligation to provide automated access to Verizon's loop qualification data in a nondiscriminatory manner.[223] The key language in this regard appears in the last two sentences of AT&T's § 1.3.1:

> Should Verizon subsequently offer any other Loop qualification procedures or methods to any other party engaged in Line Sharing or Line Splitting with Verizon, then Verizon shall provide AT&T with a non-discriminatory opportunity to participate in planning and implementing modifications to available data compilations or procedures and shall simultaneously make any new or changed procedures and new or restructured data available to AT&T, if so requested by AT&T, for use at AT&T's option. The pre-qualification interface(s) shall be uniform across all of the states served by Verizon.

This language serves three important purposes. First, it contractually binds Verizon to assure that it will *continue* to provide AT&T with

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222 AT&T Proposed Contract at § 1.3.4. There is also no reason why AT&T should not be permitted to use the existing UNE-P interface to submit such orders, or that Verizon's UNE-P interface should be different for Virginia than its other states (*id.*; *Bell Atlantic/GTE Merger Order*, ¶ 286).

223 AT&T's statement of that issue is:

III.10.B.4. Must Verizon provide automated access to all loop qualification data to AT&T simultaneously with providing automated access to itself or any other carrier, including non-discriminatory treatment with regard to planning and implementation activities preceding delivery of the automated access?